



**PRESS RELEASE**

**Jakarta, 28 September 2020**

**Pursuing Investments to South Korea, the Indonesian Government Ensures  
New Player in Downstream Industry**

Jakarta, 28 September 2020 -- Chairman of Indonesia Investment Coordinating Board (BKPM) Bahlil Lahadalia and Minister of State-Owned Enterprises (BUMN) Erick Thohir visited South Korea on 23-24 September 2020 to follow up on several investment plans made by South Korean companies in Indonesia.

During the occasion, the Indonesian delegation met with several Korean companies to follow up on their interest in investing in Indonesia. Erick explained that Indonesian Government continues aggressively pursuing investments despite the pandemic.

"We have to stay optimistic. The current situation is full of challenges. But be sure that the Government is always working. And our visit to South Korea is because there was serious interest from several Korean companies. This means Indonesia is attractive, and we are following up on that," said Erick.

Korean investors' interest is shown by South Korea's investment realization data for the second quarter (April-June) of 2020, with total investment reaching USD552,6 million or an increase of 340% from South Korea's total investment for the first quarter (January-March) of 2020 which was USD130,4 million.

Bahlil explained that is why the Indonesian Government must show seriousness in coming after investors from Korea.

"It's a positive signal. Indonesia is still attracting interest from investors during the COVID-19 pandemic. Therefore, we must facilitate to completion. Following the Presidents directives, the investments we encourage are those that supports economic transformation, has added value, and of course labor-intensive investments as well. Indonesia needs jobs and it is investments that creates jobs" said Bahlil.

Based on the first semester of 2020, South Korea's investment realization experienced an increase of 25% with a total of USD683,0 million, when compared to the same period in 2019.

Bahlil also explained that BKPM will work to attract South Korean investors to continue investing in Indonesia, particularly companies in the downstream industry.

"To encourage investment realization, we, along with BUMN Minister, visited South Korea to discuss downstream EV (Electric Vehicle) battery," stated Bahlil.

Since 2015, South Korea has become the 7th largest FDI in Indonesia, after Singapore, Japan, China, Hong Kong, Malaysia, and the Netherlands. South Korea recorded a total investment of USD7,7 billion.

According to data from BKPM Investment Control and Command Center South Korea's investment during the period of 2016 to the first semester of 2020 is dominated by the Electricity, Gas and Water Supply sector (USD944,3million); Machinery, Electronic, Medical Instruments, Electrical Equipment, Precision, Optical, and Watch Industry (USD902,5 million); Chemical and Pharmaceutical Industry

(USD749,6 million); Leather Goods and Footwear Industry (USD552,0 million); and other industries (USD528,7 million).

Based on location, most of South Korea's investment is in Java (USD4,5 billion). Followed by Kalimantan (USD1,0 billion), Sumatera (USD372,4 million), Papua (USD246,8 million), and Maluku (USD226,3 million). (\*)

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